

PROVINCE OF SASKATCHEWAN



09-10

ANNUAL REPORT

**MINISTRY OF
AGRICULTURE**

Agricultural Implements Board

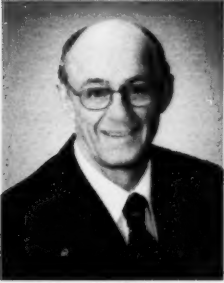
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This annual report is available in electronic format from the Ministry's website at

www.agriculture.gov.sk.ca

Letters of Transmittal



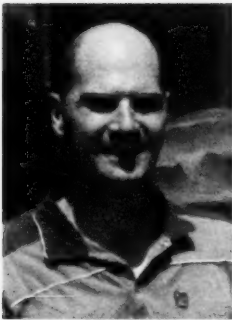
His Honour the Honourable Dr. Gordon L. Barnhart
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I respectfully submit the Annual Report of the Agricultural Implements Board for the fiscal year ending March 31, 2010.

A handwritten signature in cursive script that reads "Bob Bjornerud".

Bob Bjornerud
Minister
Saskatchewan Agriculture



The Honourable Bob Bjornerud
Minister
Saskatchewan Agriculture

Sir:

I respectfully submit the Annual Report of the Agricultural Implements Board for the fiscal year ending March 31, 2010.

A handwritten signature in cursive script that reads "Jeffrey Wheaton".

Jeffrey Wheaton
Chair
Agricultural Implements Board

The Act and the Board

The Agricultural Implements Act (the Act) provides protection to farmers who buy or own agricultural implements. The Act requires that farm equipment dealers and manufacturers maintain minimum levels of warranty, repair and parts delivery services. Farmers can apply to the Agricultural Implements Board for compensation if they feel they have incurred a loss due to an unreasonable delay or the unavailability of farm equipment parts.

The current board consists of seven members who were appointed for a two-year term effective December 10, 2008. The board members are:

- Jeffrey Wheaton, Chair
- Allan Smith, Vice-Chairman, Canada West Equipment Dealers Association
- Brad Nelson, Agricultural Manufacturers of Canada
- Don Taylor, Saskatchewan Association of Rural Municipalities
- Duane Smith, Canada West Equipment Dealers Association
- Jeff Just, Association of Equipment Manufacturers
- Joseph Guenther, Farmer

Objectives

- To ensure that a responsible distributor is registered in the province for each manufacturer of agricultural implements;
- To provide producer protection through statutory sales contracts and conditions under which implements are sold;
- To provide investigation and mediation services on disputes regarding warranties and conditions of sales contained in the sales contract; and
- To provide compensation to farmers where losses or damages are caused by breach of warranties or unreasonable delay in the provision of parts for repair.

Programs

The board's programs are divided into two areas: preventative and remedial.

Preventative programs are aimed at eliminating problems before they occur. These programs include the registration of distributors and the licensing of dealers.

The remedial program aims to solve problems brought to the board's attention. Complaints are investigated and mediated. When a formal board hearing is necessary, compensation payments may be warranted.

Accomplishments

During the fiscal year 2009-2010, the office of the Agricultural Implements Board handled more than 140 complaints, mostly from farmers.

Spare parts supply, higher prices and warranty issues from manufacturers made up the majority of complaints from farmers. Questions and concerns from implement dealers and distributors were also handled. In many cases, the board secretary used mediation to help farmers resolve their complaints.

Industry continues to use computerized inventory systems to locate parts at warehouses across North America and the parts are shipped the same day.

All inquiries were dealt with and, as a result, no formal hearings were required.

Program Statistics

Year	03/04	04/05	05/06	06/07	07/08	08/09	09/10
Number of dealers	395	400	386	372	360	380	370
Number of distributors	106	107	99	100	95	93	90
Number of manufacturers	226	226	224	222	219	217	211
Number of hearings	0	0	1	0	0	0	0

Management's Responsibility for the Financial Statements

The accompanying financial statements of the Agricultural Implements Board have been prepared by management in accordance with generally accepted accounting principles, using management's best estimates and judgments where appropriate.

The fund's management is responsible for the reliability and integrity of these financial statements and other information in the Annual Report. Financial information in the Annual Report is consistent with that provided in these financial statements.

In discharging its responsibility for the reliability and integrity of these financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are authorized, assets are safeguarded and proper records are maintained.

The Provincial Auditor of Saskatchewan has audited these financial statements and conducted a review of internal accounting policies and procedures to the extent required to enable them to express an opinion on these financial statements.



Don Brooks, PAg
Secretary
Agricultural Implements Board



Laurier Donais, CA
Director, Corporate Services
Saskatchewan Ministry of Agriculture

AGRICULTURAL IMPLEMENTS BOARD

FINANCIAL STATEMENTS

For the Year Ended March 31, 2010



Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V2

Phone: (306) 787-6398
Fax: (306) 787-6383
Web site: www.auditor.sk.ca
Internet E-mail: info@auditor.sk.ca

SASKATCHEWAN

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Agriculture Implements Board as at March 31, 2010 and the statements of operations and net financial assets and cash flows for the year ended March 31, 2010. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Agriculture Implements Board as at March 31, 2010 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
April 22, 2010

Brian Atkinson, FCA
Acting Provincial Auditor

AGRICULTURAL IMPLEMENTS BOARD
STATEMENT OF FINANCIAL POSITION
As at March 31

	<u>2010</u>	<u>2009</u>
ASSETS		
Due from General Revenue Fund (Note 3)	\$ 197,001	\$ 193,752
Accrued interest receivable	<u>125</u>	<u>494</u>
	<u>\$ 197,126</u>	<u>\$ 194,246</u>
 LIABILITIES AND NET FINANCIAL ASSETS		
Liabilities:		
Deferred revenue	\$ 1,975	\$ 1,875
Net financial assets (Statement 2)	<u>195,151</u>	<u>192,371</u>
	<u>\$ 197,126</u>	<u>\$ 194,246</u>

(See accompanying notes to the financial statements)

AGRICULTURAL IMPLEMENTS BOARD
STATEMENT OF OPERATIONS AND NET FINANCIAL ASSETS
For the Year Ended March 31

	<u>2010</u>	<u>2009</u>
Revenue:		
Assessment levies	\$ 2,250	\$ 2,375
Interest income	<u>530</u>	<u>3,707</u>
Surplus for the year	2,780	6,082
Net financial assets, beginning of year	<u>192,371</u>	<u>186,289</u>
Net financial assets, end of year - to Statement 1	<u>\$ 195,151</u>	<u>\$ 192,371</u>

(See accompanying notes to the financial statements)

AGRICULTURAL IMPLEMENTS BOARD
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Cash receipts from distributors	\$ 2,350	\$ 2,550
Interest received	<u>899</u>	<u>4,837</u>
Net increase in cash position during the year	3,249	7,387
 Due from General Revenue Fund, beginning of year	 <u>193,752</u>	 <u>186,365</u>
Due from General Revenue Fund, end of year	<u>\$ 197,001</u>	<u>\$ 193,752</u>

(See accompanying notes to the financial statements)

AGRICULTURAL IMPLEMENTS BOARD
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2010

1. Authority

The Agricultural Implements Board is continued under *The Agricultural Implements Act*. Under this Act, a fund known as the Agricultural Implements Compensation Fund, through which all transactions reflected in these statements are conducted, is continued:

- a) to pay compensation to farmers who have suffered loss as a result of a defective implement;
- b) to defray the expenses of investigating and hearing claims for compensation under this Act; and
- c) to maintain a reserve fund to pay compensation that may become payable in the future.

2. Significant Accounting Policies

These financial statements are prepared in accordance with generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of The Canadian Institute of Chartered Accountants. The following accounting policies are considered significant.

3. Due from General Revenue Fund

The Agricultural Implements Board's bank account is included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

Earned interest is calculated and paid by the General Revenue Fund on a quarterly basis using the Government's thirty-day borrowing rate (2010 average rate 0.27%; 2009 average rate 1.95%) and the Agricultural Implements Board's average daily bank account balance.

4. Related Parties Transactions

Salary and administration costs other than those in respect of investigations and hearings have been absorbed by the Ministry of Agriculture and are therefore not reflected in these financial statements.

Other transactions with related parties and amounts due to or from them are described separately in these financial statements and the notes hereto.

5. Financial Instruments

Financial instruments consist of Due from General Revenue Fund and Accrued interest receivable. The carrying amounts approximate fair value due to their short-term maturity.

